

**MEETING OF THE FLORENCE TOWN COUNCIL MEETING HELD ON MONDAY,
DECEMBER 1, 2008 AT 7:00 P.M. IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775
N. MAIN STREET, FLORENCE, ARIZONA.**

CALL TO ORDER

Mayor Kilvinger called the meeting to order at 7:03 p.m.

ROLL CALL:

Present: Kilvinger, Smith, Woolridge, Celaya, Raasch, Brown
Absent: Hawkins

PLEDGE OF ALLEGIANCE

Vice-Mayor Smith led the Pledge of Allegiance.

CALL TO THE PUBLIC/COUNCIL RESPONSE

Call to the Public for Public Comment on issues within the jurisdiction of the Town Council. Individual Councilmembers may respond to criticism made by those commenting, may ask staff to review a matter raised or may ask that a matter be put on a future agenda.

Tom Smith stated that the Parada was a tremendous success. He stated there was no one to run the parade and he was very pleased how the community stepped up to handle everything. He thanked everyone who assisted in making it such a great event.

Sandie Smith, County Supervisor, gave an overview of how things have changed in the last 16 years within Pinal County which included topics such as population increases since 1970, increases in building permits and assessed valuation in comparison to Maricopa County statistics, the Pinal County Master Plan, and others.

She stated that they will continue to improve Pinal County. She added that the Regional Transportation Study has been approved by cities and towns within Pinal County to ensure seamless road transitions between entities. She discussed problems with transportation which have caused land splits that have forced growth to the Queen Creek and Johnson Ranch area. She discussed tax revenues received and how they have decreased because of the price of fuel. She discussed State Land and the reservation of land for Pinal County. She discussed Private Public Partnerships as a means for funding of roadways and repairs of roadways; with one way being toll roads.

Ms. Smith invited the public to a "Thank You Party" on December 14th at the Windmill that she will host thanking those whom she has served. She also invited the public to a celebration hosted by Supervisor David Snider honoring Supervisor Lionel Ruiz and herself on December 15, 2008 at the Windmill. She introduced incoming District 2 Supervisor, Brian Martin.

Brian Martin, District 2 Supervisor, stated that he looks forward to working with the Town.

Mayor Kilvinger thanked Supervisor Smith and offered her support to incoming Supervisor Martin. She thanked everyone who helped with the Junior Parada.

ADJOURN TO THE MERRILL RANCH COMMUNITY FACILITIES NUMBER 2 DISTRICT BOARD

On motion of Councilmember Woolridge, seconded by Vice-Mayor Smith and carried to adjourn to the Merrill Ranch Community Facilities District Number 2 District Board.

Himanshu Patel, Town Manager, read Resolution No. MRCFD2 209-08 by title only.

Resolution No. MRCFD2. 209-08: CONSIDERATION AND POSSIBLE ADOPTION OF A RESOLUTION SUPPLEMENTING THE RESOLUTION AUTHORIZING THE SALE AND ISSUANCE OF NOT TO EXCEED \$4,500,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE DISTRICT TO EXTEND THE DATE FOR THE POSSIBLE DATED DATE THEREOF AND TO ALLOW FOR THE DESIGNATION OF "SERIES 2009" IF APPROPRIATE WITH REGARD THERETO.

Ms. Becki Guilin, Finance Director, stated that the District Board authorized the sale and issuance of the second series of bonds. Due to the downturn in the market the bonds were not sold and will not be sold in 2008. She stated the resolution is to authorize the date to be changed to no later than August 1, 2009 and to change the name of the bonds from Series 2008 to Series 2009.

On motion of Boardmember Woolridge, seconded by Boardmember Raasch and carried to adopt Resolution No. MRCFD2 209-08.

ADJOURN FROM THE MERRILL RANCH COMMUNITY FACILITY NUMBER 2 DISTRICT BOARD.

On motion of Boardmember Woolridge, seconded by Chairman Kilvinger and carried to adjourn from the Merrill Ranch Community Facility Number 2 District Board.

CONSENT: All items indicated by an (*) will be handled by a single vote as part of the consent agenda, unless a Councilmember or a member of the public objects at the time the agenda item is called.

- a. ***Acceptance of the Public Improvements for the Merrill Ranch Parkway (STA 10+87.56 to BCR STA 117+80.33, 45.00(L)/BCR STA 117+89.75, 59.00(R).**
- b. ***Authorization to award purchase of a 10" Meter to HD Supply in an amount not to exceed \$12,550.**
- c. ***Authorization to award purchase of a 2008 Ford F150 4x4 Crewcab Styleside XL to San Tan Ford in an amount not to exceed \$25,801.92.**

- d. ***Authorization to enter into a lease agreement with SWWG thereby allowing SWWG (Transcend Broadband) to provide high speed internet access to the Town of Florence.**
- e. *** Approval of the November 3, November 10, and November 17, 2008 Town Council Minutes.**
- f. ***Receive and file minutes from the following Boards and Commissions:**
 - i. **September 24, 2008 minutes of the Historic District Advisory Commission.**
 - ii. **September 30, 2008 minutes of the Redevelopment Commission.**

On motion of Vice-Mayor Smith, seconded by Councilmember Woolridge and carried to accept the Consent Agenda as submitted with the exception of Item b.

- b. ***Authorization to award purchase of a 10" Meter to HD Supply in an amount not to exceed \$12,550.**

Councilmember Celaya inquired if there are separate water lines that go to the buildings and lines for fire suppression that would be calculated differently.

Wayne Costa, Public Works Director, stated that they will branch off a 10" line to accommodate the 10" meter. The five meters in the vault will be pulled (3 large meters and 2 bypass meters), attaching the spool piece to the existing pipe. The 10" meter will be out of the wet vault and onto a dry space for reading accurately. There has been a problem with that meter every 3 to 6 months which supplies approximately 7 million gallons a month.

Councilmember Celaya asked if there will separate meters for potable water and for fire suppression.

Mr. Costa stated that there would not be separate meters.

Councilmember Celaya asked if fire suppression were to be used, would they be billed sewer even though the water did not go into the sewer system.

Mr. Costa stated that they would be billed sewer, as per Town Code.

Mr. Patel stated that when the Utility Code was updated in 2003 the sewer charges were incorporated. He stated advanced standards are now being integrated into the Town's civil infrastructure. The type of design has caused problems with the meter, and in hindsight, the Town would not have allowed that type of design to have occurred.

Councilmember Celaya stated that in the past, the utility rate committees have had issues with water consumption as a basis for calculation of sewer fees. He wondered if they will have the same issues in the future.

Mr. Costa stated in regards to fire suppression, the Code allows several methods for addressing any water line that is strictly for fire protection/suppression; it needs to be metered or for a detected bypass valve to be installed. The Town has also allowed post indicator valves. In the future, it is the Town's intent, based on changes in ADWR's procedures, that the Town document unaccounted-for water used for fire infiltration, exfiltration, etc. The Town's intent is not to meter water that is not going down to the sewer, but to justify the use of water.

On motion of Councilmember Brown and seconded by Councilmember Raasch and carried to approve Item b. of the Consent Agenda.

NEW BUSINESS

Himanshu Patel read Resolution No. 1137-08 by title only.

Resolution No. 1137-08: A RESOLUTION APPROVING THE PRE-ANNEXATION AND DEVELOPMENT AGREEMENT WITH FLORENCE/MAJESTIC RANCH, L.L.C., an Arizona limited liability company, FLORENCE 607 L.L.C., an Arizona limited liability company, and FLORENCE-KELVIN & HIGHWAY 79, L.L.C., an Arizona limited liability company, AND AUTHORIZING EXECUTION OF SUCH PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (Annexation No. 2008-03).

Mr. Patel gave a brief overview of the Pre-Annexation and Development Agreement and the benefits to the Town of Florence. He stated that the area is approximately 1200 acres, south of SH79 on the east side along Florence Kelvin Highway. He stated that the agreement provides the necessary requirements for both the Town and the developer related to how the project will be developed; particularly, to infrastructure, potential infrastructure, financing, infrastructure payback and agreements. The term is for twenty years. He stated that staff recommends adoption of the resolution. He stated that other provisions include dedication of approximately 10 acres of land to the Town for public facilities.

Vice-Mayor Smith stated that he would like an explanation as to why twenty years is needed to complete the project. He stated that this project can help out the Town core.

Mr. Patel stated that the landowner is also the developer and that it takes time to build the planned unit development. He stated that most agreements that have been done range from fifteen to thirty years. He stated that normally you have a landowner who eventually sells the land to the builders, and on occasion, the landowner is also the builder. This landowner also owns land in the Walker Butte project with a similar type of agreement.

Mr. John DiTullio, Attorney representing McRae Group, stated that the amount of time is needed so that capital markets know the zoning is going to be in place for an extended period of time. He stated that the twenty years is for full build out.

Councilmember Brown asked what the possible start date for the development will be. She would like to have a time frame in which the project must start.

Mr. DiTullio stated that there could some interest in three to four years. He added that Mr. McRae is a land investor. Builders would then buy the property from him.

Mayor Kilvinger stated that with the recession, twenty years seems realistic.

Mr. James Mannato, Town Attorney, stated that the developer asked for twenty years and in return they will pay the applicable fees for the actual costs of the development at time of the development, which will be significantly more expensive for the developer.

Vice-Mayor Smith asked why someone would want to lock-in the fees.

Mr. Mannato stated that in negotiating, concessions can be made in regards to the desirability of the development and how agreements are made.

Mr. Patel gave a brief overview of the property and added that approximately 500 acres are in Pinal County and can be annexed into the Town of Florence.

On motion of Councilmember Raasch, seconded by Councilmember Celaya and carried to adopt Resolution No. 1137-08.

UNFINISHED BUSINESS

Mr. Patel read Ordinance No. 493-08 by title only.

Ordinance No. 493-08: AN ORDINANCE EXTENDING AND INCREASING THE CORPORATE LIMITS OF THE TOWN OF FLORENCE, PINAL COUNTY, STATE OF ARIZONA, PURSUANT TO THE PROVISIONS OF TITLE 9, CHAPTER 4, ARTICLE 7, ARIZONA REVISED STATUTES AND AMENDMENTS THERETO, BY ANNEXING CERTAIN TERRITORY CONTIGUOUS TO THE EXISTING TOWN LIMITS OF THE TOWN OF FLORENCE, ARIZONA AND PROVIDING FOR A RESCISSION OF SUCH ANNEXATION IF REZONING IS NOT APPROVED OR ANNEXATION CHALLENGED (Florence Ranch Annexation, No. 2008-03, first reading November 17, 2008).

Mr. Mark Eckhoff, Planning Director, gave a brief overview on the annexation and comparable zoning. He stated that the Town must first bring the property into the Town of Florence. The second part is for the comp zoning which means the property will be zoned with what is comparable to its zoning prior to being incorporated into the Town. The third part is to change the zoning to planned unit development.

On motion of Councilmember Brown, seconded by Councilmember Raasch and carried to adopt Ordinance No. 493-08.

Ordinance No. 497-08: AN ORDINANCE OF THE TOWN OF FLORENCE AMENDING THE "TOWN OF FLORENCE ZONING MAP" BY CHANGING THE ZONING CLASSIFICATION OF A CERTAIN PARCEL OF LAND FROM PINAL COUNTY GR GENERAL RURAL TO TOWN OF FLORENCE RURAL AGRICULTURAL (RA-4) ZONING DISTRICT.

On motion of Councilmember Brown, seconded by Councilmember Raasch and carried to adopt Ordinance No. 497-08.

Ordinance No. 494-08: AN ORDINANCE OF THE TOWN OF FLORENCE APPROVING THE FLORENCE RANCH PLANNED UNIT DEVELOPMENT (PZC-03-08-PUD, first reading November 17, 2008).

On motion of Councilmember Brown, seconded by Councilmember Raasch and carried to adopt Ordinance No. 494-08.

Mr. Patel read Resolution No. 492-08 by title only.

Ordinance No. 492-08: AN ORDINANCE EXTENDING AND INCREASING THE CORPORATE LIMITS OF THE TOWN OF FLORENCE, PINAL COUNTY, STATE OF ARIZONA, PURSUANT TO THE PROVISIONS OF TITLE 9, CHAPTER 4, ARTICLE 7, ARIZONA REVISED STATUTES AND AMENDMENTS THERETO, BY ANNEXING CERTAIN TERRITORY CONTIGUOUS TO THE EXISTING TOWN LIMITS OF THE TOWN OF FLORENCE, ARIZONA AND PROVIDING FOR A RESCISSION OF SUCH ANNEXATION IF REZONING IS NOT APPROVED OR ANNEXATION CHALLENGED (Mahoney Annexation, No. 2008-02, first reading November 17, 2008).

Mr. Eckhoff gave a brief overview of the annexation and stated that the BLM land zoning will remain the same. He stated the first portion is for the second reading of the ordinance of the Mahoney Annexation. He added that the next component will be to bring the property into the corporate limits of the Town. The Ordinance 498-08 will apply zoning equivalent to the County's zoning. The zoning will remain on the BLM portion of the property until such time that a request is made to change the zoning. He stated that a small portion by the Mahoney property will have a zone change to allow for RV and boat storage with possibly mini storage units. This portion of zoning went to the Planning Commission and they sent Council a favorable recommendation subject to the conditions stated in the ordinance.

On motion of Councilmember Woolridge, seconded by Councilmember Raasch and carried to adopt Ordinance No. 492-08.

Ordinance No. 498-08: AN ORDINANCE OF THE TOWN OF FLORENCE AMENDING THE "TOWN OF FLORENCE ZONING MAP" BY CHANGING THE ZONING CLASSIFICATION OF A CERTAIN PARCEL OF LAND FROM PINAL COUNTY GR GENERAL RURAL TO TOWN OF FLORENCE SINGLE RANCHETTE RESIDENTIAL (R1-R) ZONING DISTRICT.

On motion of Councilmember Woolridge, seconded by Councilmember Raasch and carried to adopt Ordinance No. 498-08.

Ordinance No. 495-08: AN ORDINANCE OF THE TOWN OF FLORENCE APPROVING THE MAHONEY PLANNED UNIT DEVELOPMENT (PZC-71-07-PUD, first reading November 17, 2008).

On motion of Councilmember Woolridge, seconded by Councilmember Raasch and carried to adopt Ordinance No. 495-08.

Ordinance No. 496-08: AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AMENDING THE CODE OF THE TOWN OF FLORENCE, CHAPTER 30, RULES OF ORDER AND PROCEDURE, SECTION 21 REGULAR MEETINGS (First reading November 17, 2008).

Mr. Patel stated that the ordinance modifies the Town Code which will change the Town Council's regular meeting time from 7:00 p.m. to 6:00 p.m. with the days to remain the first and third Monday of the month, as discussed at the Council Retreat.

On motion of Vice-Mayor Smith, seconded by Councilmember Raasch and carried to adopt Ordinance No. 496-08.

NEW BUSINESS (Continued)

Resolution No. 1142 -08: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AUTHORIZING AN AMENDMENT TO THE TOWN OF FLORENCE PART-TIME FIREFIGHTERS' PENSION PLAN.

Ms. Guilin stated that Securian Retirement Services manages the Town's part-time and on-call firefighters pension fund. She stated that the plan is guided by Securian and amendments are identified to comply with Internal Revenue Services (IRS) guidelines. She stated that every six years the plan has to be re-stated with the IRS. In this six-year review, an operational error with the document plan was identified. The section in relationship to discretionary contributions needs to be amended. The amendment will satisfy the current operational allocations of the Town's contribution and will state it correctly. It has been practiced correctly, but the plan was not officially amended.

On motion of Vice-Mayor Smith, seconded by Councilmember Raasch and carried to adopt Resolution No. 1142-08.

Discussion/Approval/Disapproval of selecting Economist.com to complete the 2009 Utility Rate Study and authorizing the Town Manager to negotiate and execute all contractual documents in the amount not to exceed \$45,000.

Ms. Guilin state that the rate study has been budgeted for this year. She monitors the revenues and expenditures of the enterprise funds very closely and when areas of deficiencies are noticed, it needs to be addressed. Deficiencies were noticed in the sewer and sanitation funds. The request is to allow the Town to enter into a contract with Economist.com for \$45,000 to review the utility rates.

Councilmember Raasch asked if the Town or the Council can do the rate study themselves.

Ms. Guilin stated an independent rate study must be done by state statute.

Councilmember Celaya asked what the lifespan was for the last utility rate study.

Ms. Guilin stated the rates were set for 5 years and the Town is in its 2 ½ year. She stated that a large portion of the sewer deficiency is due to Arizona Department of Corrections moving to a

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conservation effort shortly after the rate study was completed; which has significantly impacted revenue generated.

Councilmember Celaya asked if the rates don't run along the same lines as cost for service.

Ms. Guillin stated it is correct, along with the projections in the rate study.

Councilmember Brown asked if a portion of the problem is due to the recession.

Ms. Guillin stated that at the time the rate study was done, the sewer plant was not completed. They now have a very high electrical usage. Maintenance costs along with capital projects that need to be completed, must be considered as well. She stated that the Town was counting on the new housing to supplement the sanitation fund's revenues, and it hasn't occurred.

Councilmember Celaya asked if they will have Council and public involvement as they have in the past.

Ms. Guillin stated that they will discuss it with the consultants on their approach. She knows that they will have Council involvement.

On motion of Councilmember Raasch, seconded by Councilmember Brown and carried to select Economist.com to complete the 2009 Utility Rate Study and authorizing the Town Manager to negotiate and execute all contractual documents in the amount not to exceed \$45,000.

CALL TO THE PUBLIC/COUNCIL RESPONSE: Call to the Public for Public Comment on issues within the jurisdiction of the Town Council. Individual Councilmembers may respond to criticism made by those commenting, may ask staff to review a matter raised or may ask that a matter be put on a future agenda.

Ms. Sandie Smith clarified that her Thank You party will be at the Windmill on Sunday, December 14th, and that Supervisor Snyder's party for Lionel Ruiz and her will be Monday, December 15th at the County Complex, Building A.

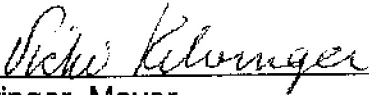
CALL TO THE COUNCIL

Councilmember Brown stated that whoever did the parade event did a great job.

Vicki Kilvinger stated that Vice-Mayor Smith, Lynn Smith, Chris Reid and the Pinal County Historical Society did a great job with the Jr. Parade parade. She stated the Elk's Lodge is hosting a memorial on December 7, 2008 for fallen Elk members.


ADJOURNMENT

Mayor Kilvinger adjourned the meeting at 8:42 p.m.



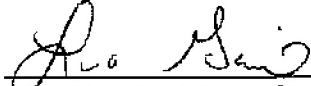
Vicki Kilvinger, Mayor

ATTEST:



Lisa Garcia, Town Clerk

I certify that the following is a true and correct copy of the minutes of the Florence Town Council meeting held on December 1, 2008 and that the meeting was duly called to order and that a quorum was present.



Lisa Garcia, Town Clerk